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CERTIFICATES OF INDEBTEDNESS TO BE BOUGHT BY ASSOCIATION

Plans have been made by the Dairymen's League Cooperative Association, Inc., New York City, for the purchase of \$250,000 worth of its certificates of indebtedness of Series A, maturing in 1927. These certificates represent deductions from the milk checks of members in 1921-22, as loans to the association for purchasing or building milk plants and for working capital. The total amount of Series A is \$4,307,060. Certificates bearing serial numbers ending in a cipher will be purchased at 95¢ and accrued interest to July 1, 1924, in case owners wish to sell. It is stated that "The association has at this time in cash and inventories, after deducting all its liabilities, sufficient resources to pay 53.3% of all certificates of indebtedness issued or to be issued, without selling, pledging, or sacrificing any of its plants."

COOPERATIVE AUDITING SERVICE FOR COOPERATIVES

Plans are practically complete for the furnishing of a cooperative auditing service for farmers' business organizations in Illinois. A nonprofit, noncapital-stock corporation is being created under the name of the Illinois Agricultural Cooperative Association. Membership is to be restricted to cooperative associations, farm bureaus, and other agricultural organizations signing a contract to run three years. The purpose of the new association is to furnish to its members a reliable auditing and accounting service, also a service in connection with income taxes. Reports and comparable data will be compiled covering the operations of enterprises of similar nature, and provision will be made for exchange of experience and information. The new organization will be purely cooperative, each of the member associations bearing a pro rata share of the expense of operation in accordance with the character of service subscribed for.

WOOL MARKETED COLLECTIVELY AT LOW EXPENSE

For the fifth consecutive year the wool growers of Linn County, Missouri, sold their wool clip collectively. A total of 42,000 pounds of wool was put into the pool by 125 farmers. The wool was graded and offered for sale to the highest bidder. It brought \$16,020. The expenses of conducting the pool amounted to six-tenths of one cent a pound, made up of the following items: labor, .2¢; insurance and storage, .1¢; sacks, .1¢; grading, .1¢; miscellaneous, .1¢.

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TWO BULLETINS DESCRIBE CALIFORNIA FRUIT GROWERS EXCHANGE

U. S. Department of Agriculture Bulletin No. 1237, entitled "Organization and Development of a Cooperative Citrus-Fruit Marketing Agency," is just off the press. A. W. McKay and W. Mackenzie Stevens are the authors. A second bulletin by the same authors, No. 1261, bearing the title "Operating Methods and Expenses of Cooperative Fruit Marketing Agencies," will be ready for distribution in a few days. These bulletins describe in considerable detail the structure and operation of the California Fruit Growers Exchange. Copies may be secured by addressing the Division of Agricultural Cooperation, Bureau of Agricultural Economics, Department of Agriculture, Washington, D. C.

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BIG MEMBERSHIP INCREASE REPORTED BY MELON GROWERS

"An increase of over 150% in membership since the close of last season," and "more acreage than we even hoped for at the beginning of the campaign," are two results reported at the close, on May 20, of the membership campaign of the Sowega Melon Growers' Association, Adel, Ga. It was found that the total number of members on that date was 2,050, and the contracts covered from 22,000 to 24,000 acres. The crop will be sold through the Federated Fruit and Vegetable Growers, Inc., and careful plans are being made for wide distribution. In order that the district managers of the Federated might have a better understanding of the situation in regard to Georgia watermelons, a special conference was held recently in Pittsburgh and the secretary and the sales manager of the melon association outlined the plans and the needs of the association for marketing this year's crop. Every phase of operation from planting the seeds to loading the melons on the car was discussed in order that the salesmen might appreciate the efforts made to produce quality melons. The salesmen were unanimous in declaring "they knew more about Sowegas than they ever dreamed of knowing," and appeared enthusiastic about placing them in good markets at satisfactory prices.

CALIFORNIA MILK ASSOCIATION REPORTS BIG BUSINESS

Milk to the amount of 57,011,027 pounds was handled by the Milk Producers' Association of Central California, Modesta, Calif., during the year ending February 29, 1924. It is estimated that the average daily receipts were 155,767 pounds. During the year the association packed 4,509,079 pounds of butter, manufactured 296,791 pounds of casein, and 2,827,100 pounds of powdered skim milk, handled 69,166 gallons of condensed skim milk, 252,689 pounds of sweet cream and 695 tons of ice.

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FINAL ACCOUNTS SUBMITTED FOR AUSTRALIAN COMPULSORY WHEAT POOLS

According to a statement received from the United States Consul at Melbourne, Australia, the final accounts of all the Australian Compulsory Wheat Pools, 1915-1921, were submitted to the Australian Wheat Board in December, 1923, together with statements showing interest adjustments. The quantity of wheat handled each of the several seasons was as follows:

<u>Season</u>	<u>Bushels</u>
1915-16	133,759,423
1916-17	82,770,888
1917-18	63,542,667
1918-19	42,509,767
1919-20	20,496,660
1920-21	113,182,410

The amount received by the state pools from the Federal pool in respect to export business was £140,713,595. In addition to this, sums have been credited to the states for interest, premiums on exchange, and storage charges, while certain deductions have been made for interest and other charges. The actual net realization from the export business of the Wheat Board is over £140,000,000, while local sales amounting to considerable sums were made by the state pools. The next step will be for the officials of each state pool to take the figures submitted to them and make adjustments preparatory to deciding what final dividends will be payable to scrip-holders of the different pools.

The Australian Wheat Board considers the results obtained by the compulsory pools as extremely satisfactory. Growers were adequately recompensed during a period when the industry would otherwise have been in distress; the pools helped to stabilize the commercial and financial activities of the Commonwealth; and the accumulation of large stocks of wheat in Australia gave assurance to the Empire and its allies that food supplies were available.

NEBRASKA WANTS TO SELL WHEAT WITH KANSAS AND COLORADO

At a meeting held on May 7, the directors of the Nebraska Wheat Growers' Association, Hastings, Nebr., adopted a resolution to support the sign-up campaign being carried on in Kansas and to ask for its extension into Nebraska immediately following May 24, the closing date for the Kansas campaign. The following reasons for the action taken are selected from the preamble of the resolution:

This campaign has been given considerable publicity throughout our state and the producers are watching its success with keen interest.

The wheat belt of Nebraska lies along the north border of Kansas and is part of the same big wheat belt which is tributary to the Kansas City terminal market.

The campaign can be put over in Nebraska by continuing the campaign spirit from Kansas into Nebraska after the Kansas campaign is successfully completed.

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OKLAHOMA WHEAT GROWERS HOLD ANNUAL MEETING

At the annual meeting of the Oklahoma Wheat Growers' Association, Enid, Okla., held April 29, it was decided to place a field man in every two of the ten districts into which the territory is divided, to handle local matters. Among the subjects which will come under the jurisdiction of the field men will be complaints of members, elevator contracts, organization work, holding local meetings, and keeping the members informed in regard to the operations of the association. Each field man will be required to work in close cooperation with the directors of his district and will be subject to removal on the recommendation of one director.

Among other important actions taken was the decision to pay the farmers increased storage rates for storage of grain on the farms, in an effort to reduce terminal expenses. The new rates will be 2¢ per bushel per month from July 15 to September 15, then 1¢ per bushel.

A resolution unanimously adopted by the board of directors deplored the present custom of landlords requiring tenants to farm all their land to wheat. This custom was declared injurious to the wheat industry and unfair to the tenant, and landlords were urged to cooperate with tenants in bringing about a system of diversified farming with only a fair percentage devoted to wheat. Belief was expressed that this one adjustment would in a large measure dispose of the question of wheat surplus. It was urged that the project should receive wide publicity and that the force of public opinion should be directed toward any land owner who was so selfish as to refuse to comply with the request.

It was further decided that the board of directors should take it upon themselves to assist the publicity department by preparing for publication articles on various questions pertaining to the production, distribution and marketing of wheat.

SEVENTY-SEVEN THOUSAND GROWERS RECEIVE TOBACCO MONEY

Final payment for 36 grades of tobacco of the 1922 crop was made by the Burley Tobacco Growers' Cooperative Association, Lexington, Ky., under date of May 20. This payment, amounting to \$8,500,000, was distributed among 77,000 tobacco planters in Kentucky, Ohio, Indiana, West Virginia, and Tennessee.

The selling prices for the 36 grades ranged from \$7.86 per 100 pounds to \$58.80. Twelve grades sold at prices that were better than \$25 per 100 pounds, and four grades at prices better than \$48 per 100.

Expenses connected with handling the tobacco and the operation of the association amounted to 93.61¢ per 100, made up of the following items:

	Cents
Receiving house expenses	23.78
Repairs, new buildings, depreciation	20.52
Grading department	9.55
General office expense	8.26
Interest and insurance	7.90
Prizing tobacco	6.65
Storage	5.03
Executive officers, directors, warehouse managers	3.74
Field service	3.53
Taxes and reserve for taxes	1.50
Association monthly magazine	1.64
Legal department	1.11
Social service work	.40
Total	93.61

In addition to the 93.61¢ for current expenses, a deduction of 1% of gross sales was made for a reserve for credit purposes, and deductions varying from 30.2¢ to 66.3¢ per 100 were made to pay for the receiving stations and warehouses. Growers received from 87% to 97% of the gross sale price, according to the grade of tobacco delivered, the higher percentage applying to the better grades.

So far Burley tobacco growers have received over \$43,000,000 on account of the 1922 crop, and it is stated that nearly 16,000,000 pounds of this crop remains yet to be sold.

On May 7 the membership was 102,662. At a meeting of directors held on that date, it was decided to proceed with the establishment of an agricultural bank, the purpose of which shall be to lend money to tobacco growers who may need it. The plan proposed contemplates the granting of loans with the participation certificates held by the growers as collateral.

Three representatives of the association, including its president, are in Europe as part of a commission sent by the various tobacco associations for the purpose of finding an outlet for the large quantities of tobacco accumulating in the United States. Among the countries that will be visited are Italy, France, Austria, Czechoslovakia, Sweden and Norway.

FINAL SETTLEMENT FOR 1922 PRUNE CROP

Final settlement for the 1922 prune crop was made by the California Prune and Apricot Growers' Association, San Jose, Calif., as of February 29, 1924 (See Agricultural Cooperation, June 2, p. 187, for apricot statement.) Gross sales in connection with the 1922 crop amounted to \$14,043,153. To this should be added the figure at which the remainder of the 1922 crop was transferred to the 1923 crop, and from the total should be subtracted the amount charged to the 1922 crop because of the carry-over from 1921, as follows:

Gross sales 1922 crop	\$14,043,153.45
Sale of remainder of 1922 crop to 1923 crop	141,665.14
	<u>14,184,818.59</u>
Less sale of 1921 crop to 1922 crop	562,739.26
Gross sale value of 1922 crop	<u>13,622,079.33</u>

Deductions from gross sales were made as follows:

Allowances because of charges paid by the trade	\$2,034,101.94
Processing and packing	\$1,589,898.66
Freight and shipping	385,885.77
Storage on consigned fruit	54,878.65
Insurance on shipments	3,438.86
Expenses of marketing fruit	1,992,585.52
Association allowance, 3% gross sales	421,294.60
Total deductions	<u>4,447,982.06</u>

Gross sales value less deductions gives the amount returnable to the growers, namely \$9,174,097, or 67.3%.

Among the larger items of expense were the following:

Advertising	\$484,674
Brokerage	295,869
Receiving and grading	286,420
Transfer of graded fruit	225,835
Discount and exchange	190,997
Uncollectable accounts	117,945
General administration	98,576
Salaries	94,313
General insurance	69,817

The 3% of gross sales deducted as an association allowance was used to meet organization and other general expenses not directly chargeable to the handling and marketing of prunes, such as interest on advance fund certificates, per diem and expenses of directors, expenses of the executive committee and the voting board, publicity expenses, taxes and licenses, and the money for the retirement of advance fund certificates.

PRUNE AND APRICOT GROWERS FAVOR FULL PUBLICITY

At the annual meeting of the California Prune and Apricot Growers' Association, San Jose, Calif., held on May 14, changes were made to bring about more democratic control. Hereafter the members of the voting board, which elects the board of directors, will represent the various districts in which they reside and each district shall have representation. It was also decided that the members of the voting board should be elected by the growers in the several districts for terms of three years, one third of the board being elected each year.

Among the suggestions made at the meeting was a plan for the creation of a great corporation which would take over the business of retailing California products throughout the country. Another suggestion was that the association undertake collective buying. Neither suggestion received approval.

Formal reports were made by the president of the association, the chairman of the voting board, and the general manager of the organization. The president urged that efforts be made to secure a greater sign-up of both prune and apricot tonnage, that more attention be given to merchandising, that a reserve fund be created as a liquid asset, and that a plan of refinancing be worked out in order that the association may have more capital. In regard to the future he said: "The investigations I made on my eastern trip convinced me absolutely that unless our industry, and also our neighbor cooperatives and growers of raisins, peaches, green fruits, and other products of the soil, awake from their lethargy and bind themselves more solidly together to protect their interests and even their livelihood, they will be awakened by a financial and crushing panic."

The chairman of the voting board called attention to the increased production of prunes and apricots and pointed out that it was necessary to bring about increased consumption of these products, especially prunes. He expressed himself regarding directors as follows: "I strongly feel that our directors should be primarily business men, who have questions of importance presented to them in their daily lives. This qualification is not always found in a man whose sole business experience is confined to the bounds of his ranch."

Detailed information regarding the activities of the association during the past year was given in the reports of all the officers. There was carried over into the 1923 season from the preceding year in excess of 40,000,000 pounds of prunes and 5,500,000 pounds of apricots. Up to the time of the annual meeting there had been delivered to the association of the 1923 crop 137,480,104 pounds of prunes and 24,600,000 pounds of apricots. The unsold prunes at that time amounted to 57,305,207 pounds, and the unsold apricots to 2,560,420 pounds.

During the year 30 receiving stations and grading, packing and storage plants were operated. These had an average daily packing capacity of about 800 tons of fruit.

Considerable stress was laid upon selling fruit as it is the opinion of the general manager that the prosperity of a cooperative

marketing association is largely dependent upon the results obtained by its sales department. An export corporation was created early in the year with the result that foreign sales of prunes increased from less than 1,000,000 pounds for the previous year, to 19,809,000 pounds, and sales of apricots from less than 500,000 pounds to 5,200,000 pounds. Instead of following the custom of previous years and selling through local exporters and paying double brokerage, contacts were made direct with foreign agents and but one brokerage paid. It is stated that the savings made by eliminating the local brokerage charge amounted to more than the combined annual salaries of the general manager, the director of sales, the sales manager, and the foreign sales manager.

Sales were made in 20 foreign countries including England, France, Germany, Italy, Denmark, Norway, Sweden, China, Japan, Australia, New Zealand, South America and Mexico.

Increased efficiency in marketing is being obtained by the greater use of all-steamer routes for shipments, not only to European ports but to the large consuming centers along the Atlantic seaboard of the United States.

Sales are made through established brokers in the larger markets who sell direct to the wholesale grocery trade at a charge of 2 1/2% of the f. o. b. price, 125 such brokers being used.

For five consecutive years the selling campaign has been supported by national advertising. During 1923 four types of advertising were employed, magazine advertising, newspaper advertising, direct by-mail advertising, and personal work with retailers. Eight national magazines printed 65,515, 579 Sunsweet prune advertisements, newspapers in eighty selected markets carried advertisements twice a week for three months, a series of circulars printed in colors and outlining the magazine and newspaper campaigns was sent to 100,000 retail dealers, and "specialty men" visited each retail grocery dealer in the cities where newspaper advertising was carried, advising the dealers regarding the advertising, distributing circulars and counter display material and, so far as possible, getting prunes and apricots out from under the counters and into the windows and other places where they would be seen by possible consumers. In the words of the general manager, "In the task of educating the public to eat more prunes and apricots, to buy more cartons, and to specify the Sunsweet brand, the association must in the future depend more and more on the influence of advertising."

A policy of publicity was worked out during the year which has for its aim the putting of all members of the association in possession of all the important facts. The association magazine is sent to all prune and apricot growers whether or not they are members of the association.

New acreage contracted to the association during the year amounted to 7,144 acres of prunes and 2,023 acres of apricots. At the time of the annual meeting the association controlled 66% of the prune acreage of the state and 60% of the apricot.

CONTRACTS SHOULD FULLY COVER TRANSACTIONS

The importance of having a contract fully cover all of the propositions that the parties thereto or either of them, desire to have covered, is well illustrated by the case of the Farmers' Cooperative Elevator of Fowler, Mich., against Sturgis and Sons, 193 N. W. 191. The plaintiff corporation was organized by upwards of 300 farmers with a subscribed capital of \$50,000, for the purpose of erecting a building and engaging in the elevator business at Fowler. The defendant had an established elevator business there and plaintiff was organized to enter the field as a competitor. Negotiations were entered into by the plaintiff with the defendant, with a view to the purchase of the elevator operated by the defendant for the purpose of eliminating competition. A meeting of the stockholders of the plaintiff corporation was held and at this meeting Lucene Sturgis, who operated the elevator under the name of Sturgis and Sons, was present. The advantages that would accrue from having the sole elevator business at Fowler were discussed, but Lucene Sturgis made no representations with reference to staying out of the elevator business. It seems to have been generally understood by the stockholders of plaintiff, however, that he would not engage in the elevator business at Fowler in the event that he sold his business to plaintiff.

Subsequently, the officers of the plaintiff entered into a contract with the defendant covering the purchase of the elevator. This contract contained no provision to the effect that the plaintiff would not re-enter the elevator business at Fowler, Michigan. Later the defendant executed a deed covering the property, in which the right of the defendant to again enter the elevator business at Fowler was reserved. Shortly thereafter, the defendant and two others formed a co-partnership and began the erection of an elevator at Fowler. The plaintiff then filed suit to restrain the defendants from engaging in the elevator business at Fowler, claiming that the contract under which it had purchased the elevator business of defendant did not express the true agreement of the parties and that Lucene Sturgis was bound by the negotiations leading up to the execution of the contract and by what was said at the meeting of stockholders to the effect that the stockholders would make no contract of purchase without an agreement on the part of Lucene Sturgis to stay out of the elevator business. The trial court restrained Lucene Sturgis from re-entering the elevator business but denied relief with respect to his partners. The case was then appealed to the Supreme Court of the State, which court reversed the judgment of the lower court and in doing so, among other things, said:

What was said by a director of plaintiff at the meeting of the stockholders, when defendant Lucene Sturgis was present, about the purchase eliminating competition, and not then and there denied by defendant Lucene Sturgis, did not constitute contract relations, curtail power of plaintiff's directors in subsequent negotiations, or prevent defendant Lucene Sturgis from

refusing to contract to remain out of business. But it is insisted that, with this understanding on the part of the stockholders, it was a fraud upon the corporation to enter into contract without an obligation on the part of the defendants to refrain from engaging in like business at Fowler. Fraud by whom? Not by defendant Lucene Sturgis, for until the contract was made he was not bound. If it was a fraud, in point of law (a question we do not determine), for the directors to proceed and make a contract contrary to the understanding of the stockholders, then plaintiff, if it has any remedy at all, has mistaken its remedy in filing this bill. The contract was with Lucene Sturgis as sole owner, and the deed and bill of sale were given by him.

The purchase of the good will of the business did not carry an engagement by defendant Lucene Sturgis to refrain from like business, or prevent him from doing so, and the committee representing plaintiff in preparing the tentative contract were so informed by their attorney and also by the attorney for defendants.

L. S. Hulbert.

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ALBERTA CREDIT SOCIETIES TO HAVE CENTRAL RESERVE FUND

Increased stability for cooperative credits in the Province of Alberta was provided for by amendments to the cooperative credit act recently adopted by the Legislative Assembly, according to an article in the U. F. A. for May 15, 1924. The most significant of these amendments provides for the creation of a central reserve fund by the setting aside of one-quarter of one per cent in respect to all loans. The banks met the new legislation by making a reduction of one-half of one per cent in the rate of interest charged. Of this saving in interest half is to go to the sinking fund, as provided by the new act, and the remainder will be disposed of as the various local societies see fit. Some of the societies are using the quarter of one per cent to set up their own local reserve funds.

As no provision had heretofore been made for meeting such losses as might occur, it is believed that this action will greatly strengthen the credit societies which are not showing considerable expansion, and promise to become increasingly important in financing farming operations in Alberta.

BIG BUSINESS BY LOCAL CITRUS ASSOCIATION

Eleven hundred twenty-seven cars of fruit were packed last season by the Winter Haven Citrus Growers' Association, Winter Haven, Fla., and sold through the Florida Citrus Exchange. This was 197 cars more than the previous season. The balance of the fruit was of low grade and was sold in various ways. Figured in boxes the shipments for the year were as follows:

	: Oranges	: Grapefruit	: Tangerines	: Total
Packed	: 132,636	: 271,376	: 18,926	: 422,938
Loose	: 15,049	: 41,380	:	: 56,429
Total	: 147,685	: 312,756	: 18,926	: 479,367

This association has been in operation for 14 years and available figures regarding its business for those years are shown below:

Season	: Field Boxes	: Fruit	: Approximate Sums
	: Received	: Shipped	: Paid Growers
		(Boxes)	
1909-10	:	: 22,693	:
1910-11	:	: 23,263	:
1911-12	:	: 18,152	:
1912-13	:	: 119,788	:
1913-14	:	: 109,000	:
1914-15	:	: 162,276	:
1915-16	:	: 123,392	:
1916-17	:	: 140,938	: \$183,000
1917-18	:	: 180,992	: 480,000
1918-19	:	: 268,531	: 600,000
1919-20	: 479,498	: 452,205	: 990,000
1920-21	: 314,217	: 299,512	: 525,000
1921-22	: 331,582	: 374,226	: 655,000
1922-23	: 497,042	: 479,367	: 550,000

In September of 1921 an experimental coloring room was built and gave satisfactory results, consequently a six-room coloring house was erected in July, 1922, at a cost of \$9,000, including a gas house and automatic refrigerating plant. During the past season a total of 70,040 boxes of fruit were colored at a charge to the growers of 10¢ a box for oranges and tangerines, and 5¢ for grapefruit. An analysis of the expenses showed the cost per box to be 5.008¢, leaving a profit of \$2,953 from the operations of the coloring plant. This has been returned to the growers.

Picking fruit cost the association \$38,000 for the season, and expenses of hauling came to \$37,000. The distribution of gain from operating expenses was as follows:

Building reserve	\$18,500
Reserve for investments	2,043
Grapefruit rebate	8,141
Reserve for surplus	4,229
Rebate credited growers	4,798
Total	37,711

Canning of grapefruit on a commercial scale was begun in the summer of 1922 when the Winter Haven Fruit Products Association was formed by the citrus growers' associations at Winter Haven, Florence, Eagle Lake, Auburndale, Lake Alfred, and Lucerne. In the summer of 1923 the canning company received 158,846 field boxes of fruit which culled down to 136,066 boxes. The quantity of grapefruit used was 9,306,876 pounds, making 78,431 cases of finished product.

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ARTICLES PURCHASED BY COOPERATIVES

Reports from 5,733 associations of all kinds relative to articles purchased collectively indicate that feeds head the list; that fuel is second in importance; containers, third; and fertilizers, fourth. Figures for 433 livestock shipping associations bear about the same relative importance to each other as those for all associations. Over 80% of the 57 wool marketing associations reporting, purchase containers; 24%, fertilizers; and 21%, feeds. Of the 31 cotton marketing associations from which reports were received, 32.3% purchase feeds; 25.8%, fertilizers; 22.6%, fuel; and the same per cent, seeds.

The percentages for all associations, for livestock associations, and for cotton and wool marketing associations, are given in the table below. Similar percentages for grain associations, for creameries, and for fruit and vegetable associations, were given in the issue of Agricultural Cooperation for March 24, p. 107.

Articles Purchased	: Per Cent of Total Reporting Cooperative Buying				
	: All Assns	: Livestock	: Wool	: Cotton	
Building Material	: 13.8	: 6.9	: 10.5	: ---	
Containers	: 30.8	: 30.9	: 82.5	: 19.3	
Feeds	: 53.2	: 66.3	: 21.0	: 32.3	
Fencing	: 11.3	: 7.8	: 5.3	: 3.2	
Fertilizers	: 20.8	: 24.0	: 24.6	: 25.8	
Fuel	: 43.1	: 30.7	: 10.5	: 22.6	
Hardware	: 7.1	: 4.2	: 1.7	: 3.2	
Implements	: 10.8	: 4.4	: ---	: 6.5	
Seeds	: 20.8	: 13.6	: 15.6	: 22.6	
Spraying Material	: 5.4	: .9	: 1.7	: ---	
General Merchandise	: 5.5	: 5.1	: 3.5	: 9.7	
Miscellaneous	: 31.5	: 33.3	: 10.5	: 29.0	
No. Assns. Reporting:	5,733	433	57	31	

YEARS IN WHICH COOPERATIVES WERE FORMED

Of the farmers' business organizations reporting to the United States Department of Agriculture, 5,311 have given the year of organization. The figures for the associations handling grain, fruits and vegetables, livestock, and those operating creameries and cheese factories, have been tabulated. These figures show that of the active associations 618, or 10.6% of the total number reporting regarding year of organization, were formed in 1919. It is interesting to note the years in which the larger number of organizations of the different kinds were formed. A larger number of grain organizations were formed in 1919 than any other year; 1921 was the banner year for the formation of associations handling fruits and vegetables and for livestock shipping associations; 1916 was the big year for associations formed to operate creameries; and 1917 for associations to operate cheese factories.

Below are the detailed figures for the several years:

Year	: Grain	: F. & V.	: Livestock:	: Cream-	: Cheese	: Total
	: Assns.	: Assns.	: Assns.	: eries	: Factories	
1863-1895 :	30 :	16 :	1 :	164 :	20 :	231
1896 :	5 :	2 :	- :	38 :	2 :	47
1897 :	5 :	5 :	1 :	33 :	1 :	45
1898 :	5 :	4 :	- :	38 :	3 :	50
1899 :	7 :	3 :	- :	18 :	3 :	31
1900 :	11 :	5 :	- :	33 :	6 :	55
1901 :	7 :	9 :	1 :	27 :	5 :	49
1902 :	26 :	5 :	1 :	26 :	2 :	60
1903 :	42 :	2 :	- :	27 :	1 :	72
1904 :	55 :	1 :	- :	29 :	3 :	88
1905 :	78 :	7 :	1 :	22 :	5 :	113
1906 :	72 :	8 :	3 :	34 :	5 :	122
1907 :	76 :	5 :	2 :	27 :	4 :	114
1908 :	93 :	14 :	1 :	31 :	8 :	147
1909 :	93 :	18 :	2 :	39 :	3 :	155
1910 :	73 :	15 :	8 :	38 :	8 :	142
1911 :	86 :	12 :	13 :	45 :	9 :	165
1912 :	127 :	15 :	14 :	56 :	19 :	231
1913 :	100 :	23 :	12 :	43 :	14 :	192
1914 :	145 :	28 :	30 :	55 :	26 :	284
1915 :	198 :	26 :	48 :	50 :	22 :	344
1916 :	216 :	33 :	49 :	59* :	21 :	378
1917 :	198 :	14 :	46 :	44 :	43* :	345
1918 :	229 :	33 :	61 :	34 :	38 :	395
1919 :	383* :	42 :	111 :	42 :	40 :	618*
1920 :	314 :	84 :	109 :	41 :	37 :	585
1921 :	117 :	103* :	142* :	48 :	13 :	423
1922 :	56 :	73 :	90 :	25 :	9 :	253
1923 :	23 :	11 :	28 :	11 :	4 :	77

*Year in which largest number of associations was formed.

COOPERATIVES REPORT INCREASED BUSINESS

Reports received from 3,099 associations regarding amount of business handled in 1913, and 4,103 associations regarding amount of business handled in 1922, indicate an increase of a little over 100% in the average amount per association for the ten-year period. The averages for the two years were \$100,000 for 1913 and \$216,000 for 1922. During the period the average amount of business for associations handling dairy products increased from \$50,000 to \$167,000; the average for associations handling grain, from \$136,000 to \$203,000; the average for associations handling fruits and vegetables, from \$153,000 to \$284,000; and the average for associations handling livestock, from \$110,000 to \$154,000. In the case of associations doing a retail business, such as operating a store, a lumber yard or a coal yard, the increase in average amount of business per association, was only from \$53,000 to \$73,000. The greatest gain was made by the tobacco and cotton associations. The average amount of business in the case of the tobacco associations increased from \$142,000 to \$7,606,000, and the average for the cotton associations increased from \$191,000 to \$3,406,000. These latter increases were due to a change in the type of organizations handling tobacco and cotton. There appeared about 1921 the highly centralized association operating over an entire state or producing region. In many cases these large organizations displaced local associations which formerly had rendered local marketing services. This change is evidenced by the decreases in the number of both tobacco and cotton associations.

In the table below are given the figures for the several kinds of associations:

Kind of Association	1913		1922		Per Cent Increase
	Number of	Average	Number of	Average	
	Assns.	Amount of	Assns.	Amount of	
	Reporting	Business	Reporting	Business	
	(Thousands)		(Thousands)		
Dairy Products	1,187	\$ 50	1,675	\$ 167	224.0
Grain	960	136	626	203	49.3
Fruit and Vegetable	456	153	592	284	85.6
Cotton	79	191	17	3,406	1683.2
Livestock	44	110	413	154	40.0
Tobacco	13	142	8	7,606	5256.3
Retailing*	111	53	320	73	37.7
All others	244	89	252	256	187.6
All Associations	3,099	100	4,103	216	116.0

*Farmers' cooperative stores, lumber yards, coal yards, etc.

CRANBERRY EXCHANGE MOVES BIG CROP

The American Cranberry Exchange, New York City, is more and more using national advertising in the marketing of the yearly crop of cranberries. The annual expenditures for this purpose, beginning with the crop of 1916, are as follows:

<u>Crop of</u>	<u>Advertising Expenditures</u>
1916	\$ 22,941
1917	14,911
1918	54,199
1919	122,693
1920	77,938
1921	73,564
1922	179,774
1923	194,539

The large expenditure in connection with the marketing of the 1923 crop was made necessary because of the size of the crop, it being the second largest in the history of the exchange.

The quantity of cranberries handled by the exchange as measured in barrels, the average f. o. b. price per barrel, including unbranded and pie berries, and the per cent of the total crop handled by the exchange for each crop beginning with that of 1917, is as follows:

Year	: Number of	: Average f.o.b. :	Per Cent
	: Barrels	: Price 1/ :	Total Crop
1917	: 154,812	: \$ 10.40	: 56.0
1918	: 209,666	: 8.39	: 59.6
1919	: 331,032	: 7.36	: 59.5
1920	: 282,473	: 10.39	: 64.0
1921	: 244,771	: 13.54	: 66.0
1922	: 373,315	: 10.33	: 66.0
1923	: 390,976 ^{1/2}	: 7.95	: 63.0

1. Price per barrel including all shipments through the exchange.
2. To April 1, 1924.

The quantity of berries of the 1923 crop which each of the four producing sections served by the exchange contributed to the total volume, was as follows: Cape Cod, 227,699 barrels; New Jersey, 131,653; Wisconsin, 28,162; Long Island, 3,462.

The expense of marketing for the 1923-24 season was \$154,729, made up of salesmen's salaries, brokerage, commissions, general expense, travel expense, bad accounts, etc. The expense ratio for the 1923 crop was 5.057% as compared with 4.35% for the 1922 crop, 4.085% for the 1921 crop, and 4.39% for the 1920 crop.

CLEVELAND PRODUCERS ISSUE FIRST ANNUAL STATEMENT

At the end of its first 12 months of operation, May 15, 1924, the books of the Producers' Cooperative Commission Association, Cleveland, Ohio, showed business for the year amounting to \$81,159. Direct expenses charged against this sum amounted to \$31,650, leaving a gross profit of \$49,509. Other expenses amounted to \$23,386, including salaries - office employees, \$9,404; directors' fees and expenses, \$1,728; advertising, \$1,889; stationery, etc., \$1,578; telephone and telegraph, \$1,568; and many other items. Interest, discounts, etc., brought the net profits from operation to \$26,509. From this was deducted the sum of \$5,674 for organization expenses, leaving the net earnings for the year \$20,823.

Gross profits from the several departments - commissions less salaries and direct expenses - were as follows: Cattle department, \$3,662; calf department, \$3,491; hog department, \$39,249; sheep department, \$3,106.

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FINANCIAL STATEMENT ISSUED BY INDIANAPOLIS PRODUCERS

Commissions received during the 11 months ended March 31, 1924, by the Producers' Commission Association, Indianapolis, Ind., reached a total of \$195,527, according to the financial statement issued on that date. The previous year, the first of operation, the association collected \$140,598 in commissions. Expenses for the first year were \$91,997, and for the second year, \$116,563, leaving the net income available for refunds \$49,047 and \$80,849 respectively. The largest item of expense in each case was salaries and wages, which in the former year amounted to \$59,970 and in the latter year, \$81,096. A few of the other items of expense are given below:

	: May 15, 1922 :	May 1, 1923
	: to :	to
	: Apr. 30, 1923 :	Mar. 31, 1924
National Livestock Producers' Association	: \$4,527 :	\$6,211
Stationery and printing	: 4,127 :	4,242
Directors' expense, supervision	: 4,286 :	2,821
Advertising	: 3,029 :	3,698
	: :	

Total net refunds to members have amounted to \$35,740, and the sum of \$1,372 has been expended for educational work. The undistributed balance on membership fees and earnings for the year ending April 30, 1923, was \$10,916, which, added to the fees and earnings for the past year, produced a credit balance of \$98,123 in the membership and surplus account on March 31 of this year.